

CALIFORNIA GAMBLING CONTROL COMMISSION
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Department of Consumer Affairs
Hearing Room
1625 North Market Blvd.
Sacramento, CA 95834

**MINUTES OF MAY 8, 2008
COMMISSION MEETING**

OPEN SESSION

1. Call to Order and Pledge of Allegiance.

Chairman Shelton called the meeting to order at 10:05 a.m., and asked everyone to stand for the Pledge of Allegiance.

2. Roll Call of Commissioners.

Roll Call of Commissioners was taken with Chairman Shelton and Commissioners Schmidt, Shimazu, and Vuksich present.

3. Approval of Commission Meeting Minutes:
 - A. April 10, 2008

Upon motion of Commissioner Vuksich, seconded by Commissioner Shimazu and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Schmidt, Shimazu, and Vuksich voting yes, the Commission adopted the April 10, 2008 Commission meeting minutes.

Commission consideration of agenda Item 4 followed Item 11 and preceded the Consent Calendar.

5. Application for Approval for State Gambling License Including All Associated Applicants and Endorsees (Pursuant to Business and Professions Code section 19851):

Deuces Wild, Inc.: Deuces Wild Casino: Robert Brown – President, Treasurer, Secretary

Deputy Director Ciau indicated that staff recommended that the Commission approve the initial application for Deuces Wild, Inc., -Item 5., to be endorsed on the state gambling license for the period of April 1, 2008, through November 30, 2009. Upon motion of Commissioner Shimazu, seconded by Commissioner Vuksich and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Schmidt, Shimazu, and Vuksich voting yes, the Commission adopted the staff recommendation.

6. Applications for Renewal of State Gambling License Including All Associated Applicants and Endorsees (Pursuant to Business and Professions Code section 19876):

A. Clovis 500 Club: A General Partnership
George Sarantos, Partner
Louis Sarantos, Partner

Deputy Director Ciau indicated that staff recommended that the Commission approve a renewal of the state gambling license for Clovis 500 Club, Item 6.A., for the period of June 1, 2008, through September 30, 2009 with the following key employees: Christopher Sarantos, James Dockins, Edward Ferratti, and Leslie Woodward. Upon motion of Commissioner Schmidt, seconded by Commissioner Vuksich and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Schmidt, Shimazu, and Vuksich voting yes, the Commission adopted the staff recommendation.

B. Limelight Cardroom: Peter Mikacich, Sole Proprietor

Deputy Director Ciau indicated that staff recommended that the Commission approve a renewal of the state gambling license for Limelight Cardroom, Item 6.B., for the period of June 1, 2008, through April 30, 2010 with the following key employees: Judy Chin, William Fung, Matthew Gouge, Emery Jakobi, Erle Mankin, Jr., Alice Ousley, Aubrey Rogers, and Dennis Wade. Upon motion of Commissioner Vuksich, seconded by Commissioner Shimazu and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Schmidt, Shimazu, and Vuksich voting yes, the Commission adopted the staff recommendation.

7. Applications for Key Employee License (Pursuant to Business and Professions Code section 19854):

A. Merced Poker Room: Seng Yang
B. ~~Phoenix Casino and Lounge: Leonard Getzler~~
C. ~~The Bicycle Casino: Diana Sanchez~~
D. The Player's Club: Mike Henry

Deputy Director Ciau indicated that Agenda Items 7.B. and 7.C. were being tabled by staff.

Deputy Director Ciau announced to the Commission that the expiration date of April 30, 2010 was incorrectly stated in the staff report for Agenda Item 7.A., and the correct date is July 31, 2008. Deputy Director Ciau indicated that staff recommended that the Commission approve the applications for a key employee license for Items 7.A. and 7.D. Upon motion of Commissioner Shimazu, seconded by Commissioner Schmidt and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Schmidt, Shimazu, and Vuksich voting yes, the Commission adopted the staff recommendation.

8. Applications for Key Employee License – Request to Withdraw (Pursuant to Business and Professions Code section 19869): Crystal Casino & Hotel: David Simon

Licensing Manager Tina Littleton presented Item 8 to the Commission indicating that staff recommended that the Commission approve the request for withdrawal, without prejudice, of the application for a key employee license for David Simon. Upon motion of Commissioner Shimazu, seconded by Commissioner Schmidt and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Schmidt, Shimazu, and Vuksich voting yes, the Commission adopted the staff recommendation.

9. Applications for Work Permit (Pursuant to Business and Professions Code section 19912):

- A. Central Coast Casino, Grover Beach: Soutsida Inpravongviengkham
- B. Empire Sportsmen's Association: Samuel Jordan
- C. Gold Rush Gaming Parlor: Ryan Carlson

Manager Littleton indicated that staff recommended that the Commission approve the applications for a work permit for Items 9.A. through 9.C. Upon motion of Chairman Shelton, seconded by Commissioner Shimazu and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Schmidt, Shimazu, and Vuksich voting yes, the Commission adopted the staff recommendation.

10. Applications to Convert Third Party Proposition Player Services Registration to a License (Pursuant to Business and Professions Code section 19984 and California Code of Regulations, Title 4, section 12218): Pacific Palace, Inc.: David Chan

Manager Littleton indicated that staff recommended that the Commission approve the application for conversion to licensure for Pacific Palace, Inc.

Commissioner Vuksich expressed concerns on whether the Commission has documentation of proof that payment has been made on liens, and that a second loan remains unresolved. Commissioner Vuksich indicated that she would like to see the Bureau, Commission, or Association provide workshops for smaller clubs on basic bookkeeping and engaging in taking out a loan.

Heather Cline-Hoganson, Staff Counsel, responded to Commissioner Vuksich stating that Mr. Chan himself did not take out the loans but signed the loan agreements as an officer for the club. Mrs. Cline-Hoganson further indicated that the loans went into default after Mr. Chan's involvement with the club had ceased.

Commissioner Shimazu asked if there were any tax liens filed and Mrs. Hoganson responded that there was a tax lien in the default, which staff has determined is now satisfied.

The Commission directed staff to inform Mr. Chan that the Commission requests documentation of proof that the tax liens are satisfied. The Commission also indicated that they hope Mr. Chan will attend the next meeting so that he can address the Commission's questions and concerns. The Commission tabled its consideration of Item for 60-90 days.

11. Applications for Renewal of Tribal-State Compact Gaming Resource Supplier Finding of Suitability (Authority Pursuant to the Tribal-State Gaming Compact, section 6.4.5):

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| A. Happ Controls, Inc.: | |
| Happ Acquisition, Inc. | Happ Controls, LLC |
| Pfingsten Partners, LLC | Pfingsten Partners III, LP |
| Pfingsten Executive QP Fund III, LP | Thomas Bagley, Senior Managing Director |
| Thomas Happ, Executive Vice-President | James Norton, Managing Director |
| Frank Happ, Vice-Chairman | John Underwood, Managing Director |
| Leonardus Patrick Suverein, Managing Director | David Reginelli, Vice President of Finance |
| B. Gasser Chair Company, Inc.: | |
| Gary Gasser, CEO/President/ Chairman | Mark Gasser, Executive Vice-President/Director |
| Janet Gasser, Director | Evelyn Mihin, CFO/Treasurer/Corporate Secretary |

Manager Littleton indicated that staff recommends that the Commission approve the renewal applications for a Finding of Suitability for Happ Controls, Inc., Item 11.A., and its principals for the period of June 1, 2008, through May 31, 2010, and Gasser Chair Company, Inc., Item 11.B., and its principals for the period of July 1, 2008, through April 30, 2010. Upon motion of Chairman Shelton, seconded by Commissioner Schmidt and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Schmidt, Shimazu, and Vuksich voting yes, the Commission adopted the staff recommendation.

4. Request for Transfer of Shares (Pursuant to Business and Professions Code section 19904): Celebrity Casinos, Inc: Crystal Casino and Hotel

Staff Counsel Hoganson indicated that staff recommends approval of the request for transfer of shares from Haig Kelegian, Sr. to Mark Kelegian and Haig Kelegian Jr. Upon motion of Chairman Shelton, seconded by Commissioner Shimazu and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Schmidt, Shimazu, and Vuksich voting yes, the Commission adopted the staff recommendation.

Haig Kelegian Sr. thanked the Commission and staff for the processing and approval of the transfer of shares in Celebrity Casinos, Inc..

CONSENT CALENDAR

12. Applications for Renewal Work Permit (Authority Pursuant to Business and Professions Code section 19870):
- A. Merced Poker Room: Antonio Martin; Paul Silva
 - B. River Card Room: Hyung Lee; Leonard Marshall
 - C. The 101 Casino: Marilyn Motil; Paula Washington
13. Applications for Tribal-State Compact Key Employee Finding of Suitability Initials (Authority Pursuant to the Tribal-State Gaming Compact, section 6.4.4):
- A. Agua Caliente Band of Cahuilla Indians – Agua Caliente Casino:
Jeffrey Rice Pitchesinee Sandau
 - B. Jackson Rancheria Band of Miwok Indians – Jackson Rancheria Casino and Hotel:
Huy Dang Dianna Macario Christopher Walker
 - C. Middletown Rancheria Band of Pomo Indians – Twin Pine Casino:
Christine Edgerton
 - D. Pauma Band of Luiseno Mission Indians of the Pauma and Yuima Reservation –
Casino Pauma: Angela Moy
 - E. Pechanga Band of Luiseno Mission Indians of the Pechanga Reservation –
Pechanga Resort and Casino:
Cynthia Munoz Pattie Somphou
 - F. Rincon Band of Luiseno Indians – Harrah's Rincon: Roberto Ochoa Jr.
 - G. Santa Ynez Band of Chumash Mission Indians of the Santa Ynez Reservation –
Chumash Casino:
Joseph Dennis Theiler
Karleskint
 - H. Torres-Martinez Band of Cahuilla Indians – Red Earth Casino:
Katherine
McEachern
 - I. United Auburn Indian Community of the Auburn Rancheria – Thunder Valley Casino:
Andrew Nelson
14. Applications for Tribal-State Compact Key Employee Finding of Suitability Renewals: (Authority Pursuant to the Tribal-State Gaming Compact, section 6.4.4):
- A. Barona Band of Mission Indians – Barona Valley Ranch Resort: Lee Skelley
 - B. Bear River Band of Rohnerville Rancheria – Bear River Casino: Jason Preyer
 - C. Big Valley Band of Pomo Indians of the Big Valley Rancheria – Konocti Vista
Casino:
Jorge Garcia
 - D. Coyote Valley Band of Pomo Indians – Coyote Valley Shodaki Casino:
Doran Lincoln
 - E. Dry Creek Rancheria Band of Pomo Indians – River Rock Casino:
Arnie Arnsdorff Rob Carter George Lazos
Juan Mendoza Elizabeth Nevill Carlos Ponce
Virginia Romero Tiarra Singharath

- F. Jackson Rancheria Band of Miwok Indians – Jackson Rancheria Casino and Hotel:
 Cheryl Dayton Anthony Devlin Alexandru Iliescu
 Sheryl Mettler Zoltan Novaky Claudia Tomberlin
 Lawrence Yettner Jr.
- G. Morongo Band of Cahuilla Indians of the Morongo Reservation – Morongo Casino Resort & Spa:
 Lena Areias Kandy Mueller Laura Ramirez
- H. Pala Band of Mission Indians – Pala Casino:
 Mary Crane Jaret Gwizdala
- I. Pechanga Band of Luiseno Mission Indians of the Pechanga Reservation – Pechanga Resort and Casino: Phillip Demarest
- J. Picayune Rancheria of the Chukchansi Indians – Chukchansi Gold Resort and Casino:
 Adam Au Matthew Petrie
- K. Rincon Band of Luiseno Indians – Harrah's Rincon:
 Lourdelyn Caalim John Erickson Jennifer Riddell
 Paul Rusthoven Jose Sanchez Colin Skidmore
- L. San Manuel Band of Serrano Mission Indians of the San Manuel Reservation – San Manuel Indian Bingo and Casino:
 James Aulgur Jr. Jerry Berns Regina Carrillo
 Paprhi Chakma Jeffrey Durling Alfredo Guzman
 Patricia Kyle Mirasol Puntalba
- M. Santa Rosa Indian Community of the Santa Rosa Rancheria – Tachi Palace Hotel and Casino:
 Phetsavanh Toud Saechao
 Phomsombath
- N. Santa Ynez Band of Chumash Mission Indians of the Santa Ynez Reservation – Chumash Casino:
 Jonathan Bobbitt Joshua Reagan Stefanie Robles
 Bonnie Smathers
- O. Soboba Band of Luiseno Indians- Soboba Casino:
 Robert Barnard Michael Carchio Apyrl Crusberg
- P. Viejas Band of Kumeyaay Indians - Viejas Casino and Turf Club:
 Lawrence Methner

Manager Tina Littleton indicated that staff recommended that the Commission approve Consent Calendar Items 12 through 14. Upon motion of Commissioner Vuksich, seconded by Commissioner Shimazu and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Schmidt, Shimazu, and Vuksich voting yes, the Commission adopted the staff recommendation.

PUBLIC COMMENT

William Husa presented comments to the Commission regarding payout percentages of slot machines in California's tribal casinos. Mr. Husa stated that there is no minimum payout standard set because payout percentages are not regulated by the state and indicated that the state should implement regulatory standards similar to the state of Nevada.

ADJOURNMENT

Upon motion to adjourn the meeting by Commissioner Schmidt, seconded by Commissioner Shimazu and unanimously carried in a roll call vote, with Chairman Shelton and Commissioners Schmidt, Shimazu, and Vuksich voting yes, the meeting adjourned at 10:25 a.m.